



HOUSE BILL 101: Special License Plate Development Process

2013-2014 General Assembly

Committee:	Finance, if favorable, Rules, Calendar, and Operations of the House	Date:	July 23, 2014
Introduced by:	Reps. S. Martin, Howard, Moffitt, Setzer	Prepared by:	Trina Griffin
Analysis of:	Second Edition		Committee Counsel

SUMMARY: *House Bill 101 does the following:*

- *It reenacts the 116 special registration plates that expired on July 1, 2013, until October 1, 2014.*
- *It authorizes 4 existing or reauthorized plates to be on a full-color background, assuming the organization obtains the minimum number of required paid applications before their authorization expires.*
- *It creates a new process for establishing or reenacting special registration plates that requires an organization to obtain the minimum number of paid applications and submit the total payment to DMV prior to seeking legislation authorizing the plate.*

CURRENT LAW: North Carolina offers approximately 150 special license plates. The process for developing a special license plate is not codified or published; an organization usually contacts a legislator or DMV to find out what the process is.

Generally speaking, an organization seeking a special license plate must find a legislative member to sponsor a bill authorizing the plate. Once the legislation is enacted, an organization must contact DMV for the next steps of the process. DMV may assist the organization with developing a form or will direct the organization to develop its own form to give to potential purchasers who want to apply for the plate. An organization must then collect the minimum number of paid applications and develop the artwork for the plate. The issuance of most plates is contingent upon the receipt by DMV of at least 300 applications for the particular plate if it is on a standard "First in Flight" background or at least 500 applications if it is on a full-color background. Once DMV has the list of purchasers, payment from those purchasers, and the final artwork, it will proceed with developing the plate. Over the years, there have been many more authorizations for plates than actual plates that have been developed, either due to an inability to meet the minimum number of applications or lack of knowledge about the process.

Once a plate is developed and available for purchase, a person may, upon application and payment of the required fees, obtain from DMV a special registration plate for a motor vehicle registered in that person's name if the person qualifies for the registration plate. As a general rule, the fee for a special registration plate is the regular vehicle registration fee, which is \$28, plus a \$10 special registration plate fee. The \$10 special registration plate fee is credited to the Special Registration Plate Account. After deducting the cost of the plates from this account, \$1.3 million is appropriated to provide operating assistance for Visitor Centers. The remaining revenue in the account is transferred quarterly to the Department of Commerce for advertising (33%), the Department of Transportation for highway beautification (50%), and the Department of Human Resources to promote travel accessibility for disabled persons (17%).



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BILL ANALYSIS:

Temporary Reauthorization of Expired Plates

In 2011, the General Assembly created a mechanism by which special license plate authorizations would expire if the sponsoring organization had not obtained the minimum number of paid applications within two years of the plate being authorized or within two years of the passage of that legislation for plates authorized prior to July 1, 2011. On July 1, 2013, the authorization for 116 special license plates expired.¹ At least one of those organizations has indicated that it subsequently obtained the minimum number of paid applications.

Section 1 of the bill would reauthorize the expired plates until October 1, 2014. This extension would allow an organization that has obtained the required number of paid applications to proceed with the development of its plate. For any organization that does not submit the required number of paid applications to DMV by October 1, 2014, the authorization for the plate will expire on that date. However, any organization for which its authorization expires may proceed under the new process.

Authorize Additional Plates on Full-Color Background

In order for a plate to be on a background other than the "First in Flight" background (referred to as a "full-color plate"), it must be authorized under G.S. 20-63(b1). In 2013, the General Assembly began requiring organizations seeking a full-color plate to obtain an additional 200 paid applications, or a total of 500 paid applications.

Section 2 of the bill adds four plates to the list of plates that may be printed on a full-color background. Two of the plates, Native Brook Trout and Red Drum, were authorized last year. Those plates have until July 1, 2015, to obtain 500 paid applications in order for the plate to be produced. Otherwise, the authorization will expire. The other two plates, S.T.A.R. and Alpha Phi Alpha, are plates being reenacted by this bill. They have until October 1, 2014, to obtain 500 paid applications or the authorization will expire.

New Special License Plate Development Process

Section 3 of the bill establishes a new process for establishing or reauthorizing special license plates. This would codify the process and require DMV to explain the process on its website so that the public is aware of the process. The new process would be similar to the current process, except that the timing shifts as to when a requesting organization must obtain the minimum number of paid applications. The new process would become effective October 1, 2014.

The new process would operate as follows:

Step 1: Organization Obtains Paid Applications

An organization seeking a plate would obtain a form from DMV to be completed by potential purchasers. DMV must make this form available on its website by October 1, 2014 (**Section 4**). The form will explain the application process and the fees that must be remitted to pre-pay for the plate. The organization must collect the minimum number of applications and payment from potential purchasers.

This step is similar to what happens now except that the organization must obtain the applications and payment after the General Assembly has authorized the plate.

¹ A list of expired plates appears at the end of this Bill Analysis.

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Step 2: Organization Submits Development Application & Pre-Payment to DMV

Once an organization has obtained the minimum number of paid applications, it must submit to DMV a Special Registration Plate Development Application along with a single payment representing the total pre-payment received from potential purchasers. The deadline for submission would be February 15 in order for a bill to be considered in the legislative session being held that year. If an organization submits the application after February 15, a bill would be considered in the following year.

Organizations make this same payment to DMV now but only after legislation has been approved and once they have obtained the minimum number of paid applications from potential purchasers. The Special Registration Plate Development Application would be a new form that DMV must develop and make available on its website by February 1, 2015 (**Section 5**). The form would require the organization to provide identifying information, point of contact information, a description of the proposed plate, the proposed fee for the plate, the name of at least one current member of the General Assembly who would sponsor legislation authorizing the plate, and sign a statement indicating that it has obtained the minimum number of paid applications.

At this point, an organization should have made contact with a legislator about sponsoring a bill to authorize the proposed plate. This bill does not restrict a member's ability to introduce legislation for a particular plate at any time within the filing deadlines.

Step 3: DMV Reports to General Assembly

By March 15 of each year, DMV would send to the Transportation and Finance chairs of both houses, as well as the Research Division, a list of the applicant-organizations that submitted an application and the required payment. The General Assembly may consider a bill during that year's session to authorize a special plate for those applicant-organizations.

Step 4: General Assembly Approves or Does Not Approve Bill

The General Assembly may approve, disapprove, or take no action on a bill authorizing a special license plate that applied in accordance with this process.

This step is the same as what happens now in that the General Assembly currently has discretion to approve, disapprove, or take no action on a bill authorizing a particular plate.

Step 5: Organization Submits Artwork & List of Purchasers to DMV

If the General Assembly approves the plate, the organization has 60 days within the bill becoming law to submit the artwork and list of purchasers to DMV or the authorization will expire (**Section 6**). DMV will apply pre-payment at that time. If the General Assembly does not authorize the plate, DMV must refund the payment to the organization, and the organization is responsible for refunding the fees to each of the purchasers.

Step 5: DMV Issues Plate

DMV has 6 months to develop a plate that met all of the necessary requirements.

Deadline Extension for 2015 Session

Section 3(c) extends the deadlines for the first year that the new process would be in place to allow DMV to create and implement the new forms and the application process and to afford members and organizations an opportunity to become aware of and participate in the new process. In order for a bill to be considered in the 2015 Regular Session authorizing a new plate, an organization would have until April 1, 2015 to submit an application to DMV. DMV must report the list of applicant-organizations to the General Assembly by May 1, 2015.

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Study of Special Registration Plates and Permanent License Plates

Section 7 of the bill directs the Revenue Laws Study Committee to study the new process for special registration plates, as well as the costs incurred by DMV to administer the special plates, and to study the eligibility criteria for permanent license plates and report its findings and recommendations to the 2015 General Assembly.

EXPIRED SPECIAL PLATES AS OF JULY 1, 2013			
AIDS AWARENESS	DAUGHTERS OF THE AMERICAN REVOLUTION	NC EMERGENCY MEDICAL MANAGEMENT	TOPSAIL ISLAND SHORELINE PROTECTION
ALPHA PHI ALPHA FRATERNITY	DON'T TREAD ON ME	NC FISHERIES ASSOCIATION	TOWN OF OAK ISLAND
ALS RESEARCH (JIM "CATFISH" HUNTER CHAPTER)	E 911 TELECOMMUNICATORS	NC 4-H DEVELOPMENT FUND	TRAVEL & TOURISM
ALTERNATIVE FUEL VEHICLES	EL PUEBLO	NC GREEN INDUSTRY COUNCIL	UNIVERSITY HEALTH SYSTEMS
AMERICAN RED CROSS	EMERGENCY MED. TECH	NC LIBRARIES	US EQUINE RESCUE LEAGUE
ARC OF NORTH CAROLINA	FIRST IN TURF	NC MASTER GARDENER	US SERVICE ACADEMY
ARMED FORCES EXPEDITIONARY MEDAL	FOX HUNTING	NC MINING	USA TRIATHLON
ARTHRITIS FOUNDATION	FUTURE FARMERS OF AMERICA	NC STATE FLAG	USO OF NC
AUDUBON NORTH CAROLINA	GIRL SCOUTS	NC VETERINARY MEDICAL ASSOCIATION	VICTORY JUNCTION GANG
AVIATION MAINTENANCE TECHNICIAN	GIRL SCOUTS GOLD AWARD RECIPIENT	NC VICTIM ASSISTANCE NETWORK	VIETNAM VETERANS OF AMERICA
BACK COUNTRY HORSEMEN OF NC	GOODNESS GROWS	NC WILDLIFE FEDERATION	ZETA PHI BETA SORORITY
BATTLE OF KINGS MOUNTAIN	GREENSBORO SYMPHONY GUILD	NC YOUTH SOCCER ASSOCIATION	
BE ACTIVE NC	GREYHOUND FRIENDS OF NC	OUTER BANKS PRESERVATION ASSOC	
BLUE KNIGHTS	HIGH POINT FURNITURE MARKET	PAMLICO-TAR RIVER FOUNDATION	
BOY SCOUTS OF AMERICA	HOLLERIN'	PARAMEDICS	
BRAIN INJURY AWARENESS	HOME OF AMERICAN GOLF	P.E.O. SISTERHOOD	
BRENNER CHILDREN'S HOSPITAL (DOWNSYNDROME)	HOSPICE CARE	POW/MIA	
BUFFALO SOLDIERS	JAYCEES	PROSTATE CANCER AWARENESS	
CAROLINA RAPTOR CENTER	KAPPA ALPHA ORDER	RED HAT SOCIETY	
CAROLINA REGIONAL VOLLEYBALL ASSOC.	LEUKEMIA & LYMPHOMA SOCIETY	RELAY FOR LIFE	
CAROLINAS AVIATION MUSEUM	LIFETIME SPORTSMAN	SCENIC RIVERS	
CAROLINAS CREDIT UNION FOUNDATION	LUNG CANCER RESEARCH	SCHOOL BOARD	
CAROLINAS GOLF ASSOCIATION	MAGGIE VALLEY TROUT FEST.	SCHOOL TECHNOLOGY	
CELEBRATE ADOPTION	MARCH OF DIMES	SIGMA GAMMA RHO SORORITY	
CHILDHOOD CANCER AWARENESS	MAYOR	SOIL & WATER CONSERVATION	
CITY/COUNTY CLERK	MILITARY VETERAN	SPECIAL FORCES ASSOCIATION	
COASTAL CONSERVATION ASSOCIATION	MORGAN HORSE CLUB	SPECIAL OLYMPICS	
COMBAT INFANTRY BADGE	MOTHERS AGAINST DRUNK DRIVING	SPORT FISHING	
COMBAT VETERAN	MUNICIPAL COUNCIL	S.T.A.R.	
COMMERCIAL FISHING	NATIONAL DEFENSE SERVICE MEDAL	STREET ROD OWNER	
CONCERNED BIKERS ASSOC/ABATE OF NC	NATIONAL KIDNEY FOUNDATION	SUPPORT NC EDUCATION	
CORVETT CLUB	NC AGRIBUSINESS	SURVEYOR	
COUNTY COMMISSIONER	NC BEEKEEPERS	SUSTAINABLE FISHERIES	
CRYSTAL COAST	NC CHILDRENS PROMISE	SWEET POTATO	
DANIEL STOWE BOTANICAL GARDEN	NC CIVIL WAR	TOASTMASTERS CLUB	